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Poverty statistics

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its thirty-sixth session.** It describes the final stages of the preparation of the United Nations Handbook on Poverty Statistics, in particular a global consultation on current country practices of poverty measurement. The report is presented to the Commission for information.

* E/CN.3/2006/1.

** *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.B.

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I. Introduction

1. At its thirty-fifth session, the Statistical Commission expressed its appreciation for the broad consultative process which had been put in place by the Statistics Division for the elaboration of the Handbook on Poverty Statistics (see E/2004/24, chap. II.G, para. 12). The Commission also emphasized the need for the handbook to be not a normative instrument, but rather a practical guide to poverty measurement based on country practices. At its thirty-sixth session, the Commission reviewed the proposed detailed outline of the handbook and recognized that the current scope of the handbook was adequate (see E/2005/24, chap. IV.C, para. 22).

2. The manuscript of the Handbook on Poverty Statistics has now been completed and submitted for official editing. The pre-edited version is available for information on the Statistics Division website (printed copies are available on request to the Division). It is the product of a three-year study that sought to enhance the understanding of the ways in which countries currently measure poverty, thereby identifying strengths and weaknesses in data-collection processes. The handbook contains recommendations on good practices, which should also help to make national statistics more comparable.

II. Drafting of the handbook

3. In 2004, four regional workshops on poverty measurement were held in countries of the Latin America and the Caribbean (May), Africa (July), Asia and the Pacific (October) and Western Asia (November) regions. The specific objective of the workshops was to discuss the content of the handbook with countries, to incorporate their practical regional perspectives and to identify common problems faced by them in that area.

4. Subsequent to the workshops, the Statistics Division worked with a number of experts to draft the various chapters of the handbook. An expert group, consisting of chapter authors and reviewers, met in New York in June 2005 to comprehensively review the first full draft of the handbook. At all stages, copies of the various drafts were made available on the Division's website in order to ensure transparency of the process and to allow national experts to contribute to discussions. A representative of the Rio Group also actively participated in the expert group meeting to ensure complementarity between the handbook and the compendium being prepared by the Rio Group.

5. To assist the drafting of the various chapters, the Statistics Division conducted a global survey in 2005 to gauge the range of ways poverty was being measured. Two additional objectives of the survey were to analyse regional perspectives of how countries gauge poverty and to identify the means by which poverty measurement could be improved. A questionnaire on poverty measurement was developed, based on current measurement practices. After being translated into English, Spanish, French and Russian, the questionnaire was sent out to national statistical offices in nearly 200 countries worldwide. By October 2005, 74 nations had fully responded. To encourage a greater response rate, the United Nations prepared an abridged version of the questionnaire; a month later, 15 additional countries submitted responses. The responses were subsequently consolidated into a summary table to be presented as a background document to this report.

6. Statistical offices in 15 countries indicated that they were not currently collecting poverty data at all. The key finding of the global survey was that a wide range of practices existed. For example, 65 per cent of respondent countries applied the absolute concept of poverty, while about one third did not. Likewise, there was a wide range of practice among the 75 countries, which indicated whether they made adjustments for adult equivalence in their poverty analyses (38 per cent of countries made some adjustments for age and/or sex). There was a notable difference in the minimum individual calorie requirement, ranging from below 2,000 to almost 3,000 kilocalories. Generally, the data reflected a broad consensus about the guiding principles underlying poverty measurement, although they also revealed considerable variation in how the principles were implemented in practice.

III. Executive summary of the handbook

7. The handbook focuses on the challenges faced by developing countries. It presents practical measurement options, taking regional and local specificities into consideration to the extent possible. In this regard, the handbook is a state-of-the-art review of poverty statistics. While it does not offer new concepts or methods, its strong methodological component is designed to serve as a foundation for future empirical work conducted at the country level.

8. The publication comprises nine chapters covering both theoretical and applied work (see annex for chapter titles). It emphasizes practical issues, but also addresses some technical issues and reviews the most recent methodological developments in measuring poverty. The handbook also recommends international support to assist countries in collecting and analysing poverty data, especially the use of a more harmonized approach for collecting and comparing data across time and space.

9. Since the handbook focuses on the improvement of national practices, the issue of global poverty comparison was not explicitly analysed. However, the publication considers the issue of international comparison by exploring the applicability of harmonized conceptual approaches to poverty measurements and by promoting common protocols for data collection at national levels. This would likely lead to more comparable poverty data among countries, across regions and over time.

IV. Future activities

10. As a first step towards the practical application of the handbook at the country level, in 2006 the Statistics Division, in the context of its development account project to strengthen statistical capacity, will work with the countries of the Economic Community of West African States (ECOWAS) and its secretariat on a publication on poverty statistics, which will not only compile the data currently available for poverty measurement in that subregion, but will also analyse the various practices used in ECOWAS countries and explore to what extent it is desirable and possible to regionally harmonize measurement practices, not only in order to increase comparability but also to create a basis for effective exchange of practical experience.

Annex

Titles of chapters of the handbook on Poverty Statistics

Chapter 1:	Introduction
Chapter 2:	Concepts of poverty
Chapter 3:	Poverty measures
Chapter 4:	Country practices in compiling poverty statistics
Chapter 5:	Statistical tools and estimation methods for poverty measurement based on cross-sectional household surveys
Chapter 6:	Statistical issues in measuring poverty from non-household survey sources
Chapter 7:	Poverty analysis for policy use: poverty profiles and poverty mapping
Chapter 8:	Analysis of poverty dynamics
Chapter 9:	Conclusion